

**PLACER COUNTY DEFERRED COMPENSATION  
COMMITTEE MEETING MINUTES  
Wednesday, February 8, 2017  
1:30 pm - 3:00 pm  
County Executive Office  
175 Fulweiler Ave. – CEO 1  
Auburn, CA 95603**

**Present:** Andy Sisk, Auditor-Controller; Lori Walsh, Human Resources Director; Jenine Windeshausen, Treasurer Tax Collector; Matt Bartholomew, PPEO Representative; Noah Frederito, DSA Representative; Paul Jacobson, Retiree Representative.

**Absent:** David Boesch, County Executive Officer.

**Other Attendees:** Jerry Carden, County Counsel; Allison McCrossen, Human Resources; Ann McNellis, Human Resources; Kimberly Hawley, Treasurer Tax Collector; Rich Berg, Account Manager-Voya; Heather Rogers, Regional Director-Voya; Michael Kleczek, CalPERS 457 Retirement Sales Manager-Voya; Ken Hall, Program Manager-CalPERS; John Swendesky, Assistant Division Chief- CalPERS; Dave Saevedra, Operations Manager-CalPERS; Christine Reese, Investment Manager-CalPERS; Katie Carl, Investment Officer-CalPERS.

**Call to Order**

Meeting called to order at 1:36 pm by Andy Sisk, Chair.

**Public Comment**

None.

**Approval of Draft Deferred Compensation Committee Minutes for the January 11, 2017 meeting**

Motion by: Lori Walsh; Second: Noah Frederito. Approved 6-0.

**CalPERS/Voya Presentation on the Year 2016**

Andy Sisk called for introductions around the room.

Ken Hall distributed the annual reports to the group and gave some base information on the plans. Ken noted that for the year ending December 31, 2016 Placer had a total of 1,324 participants, including separated employees, in the 401(k) Plan. There are a total of 2,566 eligible employees, of those, 770 are current contributing participants. Plan assets were up 15.23% for a total of \$35,836,271. The average employee contribution was \$4,352. In the 457 Plan, Placer had a total of 702 participants, including separated employees. Of the total 2,566 eligible employees, 432 are current contributing participants. Plan assets were up 11.81% for the year for a total of \$28,788,620. The average employee contribution was \$4,544.

Michael Kleczek gave an update on the awards Voya has received over the past year. They include the Dalbar Seal of Communications Excellence for their website and mobile app as well as the 2016 World's Most Ethical Companies award from the Ethisphere Institute. Michael also

discussed the enhanced security protections Voya has put into place over the past year. They include:

1. Social Security numbers will no longer be used for user names.
2. Passwords are now required to be a combination of upper and lower case letters, numbers and special characters.
3. Voya will no longer mail passwords to participants.

Heather Rogers discussed Field Education Services for plan members. Rich Berg is available for one-on-one appointments with employees at the County as well online education, information and services. Heather noted that there has been a sharp decline in appointments since the County stopped sending broadcast emails to employees. Prior to the County stopping the broadcasts, Ken received 38 appointment requests from January-March 2016. After the broadcasts stopped in March, he only received 51 requests through the end of December. The Committee will take these numbers to the CEO to see if we can start sending broadcast emails again.

Rich Berg discussed his scheduling. He is in Auburn monthly and in Roseville, Rocklin and Tahoe quarterly. He will also meet employees after hours at a public location if they prefer and will do presentations to departments when requested.

Heather Rogers discussed the Voya website and the My Orange Money tool. When using the tool, you are able to see your savings as future income. You can also load information on other sources of income to get a complete financial picture. The tool also projects how much money you participants will need in retirement and how close you are to meeting that goal. Heather also gave historical comparisons from December 31, 2008 (plan inception) to December 31, 2016 on enrollments, annual contributions, plan participation, cash flow, 401(k) target date and core funds, 457 target date and core funds, 401(k) transfer activity and 457 transfer activities. Jenine asked about the high number of employees in the short term fixed income account. Rich said that several people jumped in 10 or more years ago when the economy was bad and have never changed. Jenine requested a breakdown on those participants by age.

Christine Reese discussed the investment process and noted that we have six core and 10 target date funds that have built-in allocation and diversification. She reported that US Equities had a strong year, experiencing double-digit returns. Global Equities suffered during the fourth quarter due to the U.S. presidential election. U.S. Short Term Bonds also suffered due to the election. Real Assets did better than Short-Term Investments whose overall performance was relatively flat.

Katie Carl discussed CalPERS investment beliefs and ESG, which stands for Environmental, Social and Governance. ESG investing favors engagement vs. divestment and shows CalPERS' concerted effort to refocus engagement away from compensation issues and toward environmental and social issues.

Lastly Katie went over the Plan Update noting that the target date funds glidepath was updated in October, 2016. CalPERS will be doing a strategic review of the SIP plans in 2017. They will also sunset the 2015 fund and open the 2060 target date fund. CalPERS will also be looking at the feasibility of adding a ROTH 457 to the plan, reviewing the fund lineup to ensure all funds are performing as expected and doing a participant demographic review to ensure participants are appropriately aligned and diversified.

Christine Reese reported that the CalPERS Board has decided to completely divest from tobacco and may cause a change in funds to more socially conscious funds in the coming year or two. They have a two to three year implementation timeline.

Jenine asked about the possibility of having CalPERS be the Fiduciary over the 401(k) plan, like they are for the 457. Ken will take the request to the CalPERS legal team and report back to the Committee.

### **MassMutual Investment Lineup Change**

Lori distributed the Placer County 457 Plan Executive Summary showing the possible replacement funds. Human Resources consultant recommends the American Funds Fundamental, JP Morgan US Equity Select and the Parnassus Core Equity Institutional. Jenine suggested we map the Hartford Capital Appreciation into our current SSgA S&P 500 fund. Matt suggested mapping over to the MM S&P 500 due to its lower fees. Jenine still thinks we are offering too many funds and should take the opportunity to par down the list by mapping to the SSgA S&P 500 fund offered in our existing lineup. Motion by: Jenine Windeshausen; Second: Paul Jacobson. Approved 6-0.

### **Investment Policy Statement Approval**

Due to time constraints, this item will be discussed at the March 8, 2017 meeting.

### **RFP for Plan Provider Services Approval**

Due to time constraints, this item will be discussed at the March 8, 2017 meeting.

### **Election of Chair/Vice Chair**

The Committee recapped the discussion from the last meeting with regards to election of Chair and Vice Chair. Due to heavy workload, Jenine stated that she would be unable to serve at this time. Jerry reminded the Committee that it would make more sense for Lori to Chair since her department is responsible for the administrative and recordkeeping functions. Lori stated that she would be happy to do that and asked if Andy would consider continuing as Vice Chair. Andy said that he would. Motion for Lori Walsh as Chair and Andy Sisk as Vice Chair by: Jenine Windeshausen; Second by: Paul Jacobson. Approved 6-0.

Future meetings will move to the Human Resources Conference Room.

The Committee thanked Andy for all of his hard work and dedication over the past five years as Chair.

### **Adjourn**

Meeting adjourned at 3:25 PM.

### **Next Scheduled Meeting**

Wednesday, March 8, 2017 at 1:30 PM in the Human Resources Conference Room.